



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

FILED
12-05-16
04:59 PM

Order Instituting Rulemaking on Regulations
Relating to Passenger Carriers, Ridesharing,
And New Online-Enabled Transportation
Services

R.12-12-011

**OPENING COMMENTS OF SAN FRANCISCO INTERNATIONAL AIRPORT
TO PROPOSED DECISION FOR PHASE III.A: DEFINITION OF PERSONAL
VEHICLE**

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INTRODUCTION

San Francisco International Airport (“Airport” or “SFO”) supports the Proposed Decision and particularly appreciates the analysis of AB 2763, which added § 5431(b) to the Public Utilities Code. As we understand it, a vehicle used to provide TNC services may be owned or leased by the driver, or rented for a term that does not exceed 30 days.

For enforcement purposes, the Proposed Decision should be modified to require TNC drivers to display certification that a “personal vehicle” used to provide TNC services has passed the 19-point safety inspection required by the Commission in Decision 16-04-041; and that whatever vehicle is operated by a TNC driver, the transaction is covered by insurance consistent with Pub. Util Code §§ 5433 and 5434.

COMPLIANCE WITH 19-POINT SAFETY INSPECTION CERTIFICATE

Since the Commission first started issuing TNC permits in February 2014, the TNC industry has evolved from one that contemplated drivers using their own vehicles to provide services, to TNC drivers renting vehicles – sometimes through a peer-to-peer arrangement for as little as a few hours.

As we have noted in earlier comments, the Airport is concerned that if TNC drivers are allowed to use vehicles that are leased or rented for short periods of time to provide for-hire transportation, TNCs may be unable to comply with the Commission's vehicle inspection requirements. The Commission's Decision 16-04-041, issued on April 26, 2016, requires that:

All Charter Party Carrier (TCP) vehicles, including Transportation Network Companies (TNC), shall be inspected by a facility licensed by the California Bureau of Automotive Repair (a) before the vehicle is first introduced into service as a TCP or TNC vehicle; and (b) every 12 months or 50,000 miles thereafter, whichever occurs first. TCPs and TNCs shall be responsible for ensuring that each of their vehicles/drivers' vehicles complies with this requirement, and shall maintain records of such compliance for a period of three years.¹

¹ Decision 16-04-041 at 54.

The Airport dedicates significant resources in the form of civilian and law enforcement personnel to ease roadway congestion and ensure that commercial transportation providers comply with SFO Rules and Regulations, the California Vehicle Code and the Public Utilities Code provisions that address charter-party carriers. For example, in the 12 months from May 1, 2015 through April 30, 2015, SFO enforcement personnel have issued 5,453 citations to TNC drivers, many of which were issued for failure to display trade dress, as required by CPUC regulations, and failure to display a dashboard placard, which is required in all SFO TNC permits. When officers make contact with TNC drivers, they should be able to request certification that the vehicle driven by the TNC driver – which could have been rented for as little as one hour – has successfully completed the 19-point safety inspection. Both Lyft and Uber have inspection certificates. *See* Appendix A. These certificates could be made available to enforcement officers through the smart phone that TNC drivers use to facilitate rides. The Airport respectfully requests the Commission direct TNCs to make 19-point safety inspection certificates available to TNC drivers for display to enforcement personnel other than the CPUC’s enforcement unit.

PROOF OF INSURANCE

The City is also concerned about insurance coverage, particularly where peer-to-peer short-term rentals are used to provide TNC services. It is unclear how coverage operates in this environment. Public Utilities Code § 5433 imposes minimum insurance requirements on TNCs and provides that those requirements may be met through insurance that the TNC provides, insurance that the driver provides, or a combination of both. To the extent that the TNC does not maintain all the requisite insurance, it must ensure, as to each vehicle used by its drivers, that the driver (directly or through the vehicle’s owner) maintains the necessary insurance through a policy specifically written to cover use of the vehicle for the provision of TNC services.

Our research indicates that some companies renting vehicles to TNCs provide some of the required insurance, while others do not.² With respect to a driver who is

² For example, Breeze requires renters to supply their own insurance. *See* <https://joinbreeze.zendesk.com/hc/en-us/search?utf8=%E2%9C%93&query=insurance&commit=Search>

changing vehicles on a monthly, weekly, or daily basis, it may be difficult or impossible for the TNC to ensure that each vehicle employed by the driver is adequately insured. For that reason, we respectfully request the Commission require that TNC driver have the ability to demonstrate coverage for the vehicle being used to provide TNC services. Again, evidence of insurance could be made available on the smart phone the TNC drivers uses. Further, the peer-to-peer owner of the vehicle must have evidence of insurance in the vehicle, which clearly states that TNC services are covered under the policy.

CONCLUSION

For the reasons set forth herein, SFO respectfully requests that the Commission revise its Conclusion of Law and Order to include the requirement that TNC drivers have the ability, through their smart phones or through production of physical documents, to demonstrate to enforcement personnel at SFO and elsewhere that the vehicle being used to provide TNC services has successfully completed the 19-point vehicle safety inspection and that the vehicle and driver are covered to provide TNC services. Please see Appendix B for proposed modification to the Conclusions of Law and the Order.

Dated: December 5, 2016

Respectfully submitted,

By: /s/
Ivar C. Satero
Airport Director
San Francisco International Airport

APPENDIX A
VEHICLE INSPECTION FORMS FROM LYFT AND UBER



VEHICLE INSPECTION

INSPECTION POINT	PASS	FAIL	INSPECTION POINT	PASS	FAIL
1. Foot brakes (pads/shoes thickness)	<input type="checkbox"/>	<input type="checkbox"/>	9. Turn indicator lights	<input type="checkbox"/>	<input type="checkbox"/>
Min per manufacturer	<hr/>		10. Stop Lights	<input type="checkbox"/>	<input type="checkbox"/>
Right foot	Measurements	<hr/>	11. Front seat adjustment	<input type="checkbox"/>	<input type="checkbox"/>
Left foot	Measurements	<hr/>	12. Doors (open, close, lock)	<input type="checkbox"/>	<input type="checkbox"/>
Right rear	Measurements	<hr/>	13. Horn	<input type="checkbox"/>	<input type="checkbox"/>
Left rear	Measurements	<hr/>	14. Speedometer	<input type="checkbox"/>	<input type="checkbox"/>
2. Emergency brake (parking brake)	<input type="checkbox"/>	<input type="checkbox"/>	15. Bumpers	<input type="checkbox"/>	<input type="checkbox"/>
3. Steering mechanism	<input type="checkbox"/>	<input type="checkbox"/>	16. Muffler and exhaust system	<input type="checkbox"/>	<input type="checkbox"/>
Ball joints	<input type="checkbox"/>	<input type="checkbox"/>	17. Tires, incl. tread depth	<input type="checkbox"/>	<input type="checkbox"/>
Tie rods	<input type="checkbox"/>	<input type="checkbox"/>	Left front	[32nd's / In]	<hr/>
Rack & pinion	<input type="checkbox"/>	<input type="checkbox"/>	Right front	[32nd's / In]	<hr/>
Bushings	<input type="checkbox"/>	<input type="checkbox"/>	Left rear	[32nd's / In]	<hr/>
4. Windshield	<input type="checkbox"/>	<input type="checkbox"/>	Right rear	[32nd's / In]	<hr/>
Large crack	<input type="checkbox"/>	<input type="checkbox"/>	18. Interior and exterior rear view mirrors	<input type="checkbox"/>	<input type="checkbox"/>
Small crack	<input type="checkbox"/>	<input type="checkbox"/>	19. Safety belts for driver and passenger(s)	<input type="checkbox"/>	<input type="checkbox"/>
5. Rear window and other glass	<input type="checkbox"/>	<input type="checkbox"/>	<div>VEHICLE INSPECTION (Please circle one)<div>PASSFAIL</div></div>		
6. Windshield wipers	<input type="checkbox"/>	<input type="checkbox"/>			
7. Headlights	<input type="checkbox"/>	<input type="checkbox"/>			
8. Tail lights	<input type="checkbox"/>	<input type="checkbox"/>			

LYFT DRIVER NAME

EMAIL ADDRESS

LICENSE PLATE #

VIN #

VEHICLE MAKE

VEHICLE MODEL

VEHICLE YEAR

LYFT DRIVER SIGNATURE

LYFT DRIVER PHONE NUMBER

DATE

TO BE COMPLETED BY INSPECTOR

INSPECTOR NAME

INSPECTOR SIGNATURE

DATE

COMPANY

VEHICLE MILEAGE

ADDRESS

RASIER

VEHICLE INSPECTION

INSPECTION POINT	PASS	FAIL
1 Foot brakes (pads/shoes thickness)	<input type="checkbox"/>	<input type="checkbox"/>
Min. per manufacturer: Front _____ Rear _____		
Front Brake Left Measurements _____		
Front Brake Right Measurements _____		
Rear Brake Left Measurements _____		
Rear Brake Right Measurements _____		
2 Emergency brake (parking brake)	<input type="checkbox"/>	<input type="checkbox"/>
3 Steering mechanism	<input type="checkbox"/>	<input type="checkbox"/>
Ball joints	<input type="checkbox"/>	<input type="checkbox"/>
Tie rods	<input type="checkbox"/>	<input type="checkbox"/>
Rack & pinion	<input type="checkbox"/>	<input type="checkbox"/>
Bushings	<input type="checkbox"/>	<input type="checkbox"/>
4 Windshield	<input type="checkbox"/>	<input type="checkbox"/>
Large crack	<input type="checkbox"/>	<input type="checkbox"/>
Small crack	<input type="checkbox"/>	<input type="checkbox"/>
5 Rear window and other glass	<input type="checkbox"/>	<input type="checkbox"/>
6 Windshield wipers	<input type="checkbox"/>	<input type="checkbox"/>
7 Headlights	<input type="checkbox"/>	<input type="checkbox"/>
8 Tail lights	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION POINT	PASS	FAIL
9 Turn indicator lights	<input type="checkbox"/>	<input type="checkbox"/>
10 Stop Lights	<input type="checkbox"/>	<input type="checkbox"/>
11 Front seat adjustment	<input type="checkbox"/>	<input type="checkbox"/>
12 Doors (open, close, lock)	<input type="checkbox"/>	<input type="checkbox"/>
13 Horn	<input type="checkbox"/>	<input type="checkbox"/>
14 Speedometer	<input type="checkbox"/>	<input type="checkbox"/>
15 Bumpers	<input type="checkbox"/>	<input type="checkbox"/>
16 Muffler and exhaust system	<input type="checkbox"/>	<input type="checkbox"/>
17 Tires, incl. tread depth	<input type="checkbox"/>	<input type="checkbox"/>
Right front [32nd's / In] _____		
Left front [32nd's / In] _____		
Right rear [32nd's / In] _____		
Left rear [32nd's / In] _____		
18 Interior and exterior rear view mirrors	<input type="checkbox"/>	<input type="checkbox"/>
19 Safety belts for driver and passenger(s)	<input type="checkbox"/>	<input type="checkbox"/>

VEHICLE INSPECTION

(Please circle)

PASS

FAIL

RASIER PARTNER NAME

EMAIL ADDRESS

RASIER PARTNER SIGNATURE

RASIER PARTNER PHONE NUMBER

DATE

TO BE COMPLETED BY INSPECTOR

COMPANY

VEHICLE MILEAGE

LICENSE PLATE #

VIN#

VEHICLE MAKE

VEHICLE MODEL

VEHICLE YEAR

ADDRESS

INSPECTOR NAME

INSPECTOR SIGNATURE

DATE

APPENDIX B

SFO'S PROPOSED MODIFICATIONS TO PROPOSED DECISION

Conclusions of Law

1. “Owned” should be interpreted to mean the person (i.e. either an individual or corporation) who has legal title to the vehicle, as evidenced by the registration with the California Department of Motor Vehicles as the owner of the vehicle.

2. “Leased” should be interpreted to mean a vehicle that, through a contractual arrangement, is conveyed to a TNC driver for a specific term and price.

3. “Rented” should be interpreted to mean to grant possession of a vehicle to a TNC driver for a period not to exceed 30 days.

4. Both definitions of leased and rented contemplate the existence of: (1) a party (either a lessor or a renter) who has legal title to a vehicle; (2) a party (either a lessee, renter, or authorized user) who wants use a vehicle; and (3) a written contract (either a lease or rental agreement) that sets forth the terms of the agreement including length of the agreement, pricing, and the payment schedule.

5. The phrase “or otherwise authorized for use” should be interpreted expansively, and encompasses any other form of vehicle possession beyond a lease or a 30 day rental (such as a rental in excess of 30 days) so that a TNC driver can legally provide transportation services in California.

6. All vehicles used to provide TNC services must successfully complete the 19-point safety inspection described in Decision 16-04-041, including vehicles procured through peer-to-peer short-term rental agreements and all other forms of leases and rental agreements.

ORDER

IT IS ORDERED that:

1. Personal vehicle is defined as follows:

(b) “Personal vehicle” means a vehicle that is used by a participating driver to provide prearranged transportation services for compensation that meets all of the following requirements:

(1) Has a passenger capacity of eight persons or less, including the driver.

- (2) Is owned, leased, rented for a term that does not exceed 30 days, or otherwise authorized for use by the participating driver.
- (3) Meets all inspection and other safety requirements imposed by the commission.
- (4) Is not a taxicab or limousine.

2. No matter what vehicle possession arrangement a Transportation Network Company (TNC) driver chooses, the Commission's existing regulations will apply if the TNC driver wishes to provide transportation services in California. Each TNC must ensure that each personal vehicle used by their TNC drivers complies with all applicable regulations, including but not limited to the insurance requirements, a 19-point vehicle inspection performed at a California Bureau of Automotive Repair-licensed facility, and trade dress rules.

3. TNCs shall ensure that TNC drivers have the ability to display to airport and other enforcement personnel evidence of insurance and a certificate demonstrating that the vehicle has successfully completed the 19-point safety inspection. Evidence of insurance and the vehicle safety certificate shall be available either in physical form or on TNC driver smart phones.

34. In the event the Commission adopts additional regulations in the future, each Transportation Network Company (TNC) must ensure that the vehicles they provide to the TNC drivers, or the vehicles that the TNC drivers' own, comply with all additional TNC-related regulations.

45. This proceeding shall remain open.

Dated _____, at San Francisco, California.